

Name: _____

RESTRICTED HISTORICAL PROPERTY TRAINING SESSION
REVIEW QUESTIONS

1. Government Code sections 50280 through 50289, also known as the _____ allow an owner of qualified historical property to enter into a preservation contract with local government.
2. The owner of property under an historical property contract agrees to : [Mark all that apply]
 - ☐ Use the property in a manner compatible with its historical characteristics.
 - ☐ Restore the property if necessary.
 - ☐ Open the property to the public.
 - ☐ Maintain the property's historic character.
 - ☐ All of the above.
3. The Revenue and Taxation Code prohibits valuation of enforceably restricted historical property based on sales data.
 - ☐ True
 - ☐ False
4. A qualified historical property always includes the qualified improvement and all the land on which the improvement is situated.
 - ☐ True
 - ☐ False
5. An historical property contract must have a minimum of five years for the contract to be considered value.
 - ☐ True
 - ☐ False
6. An historical property is bound by an enforceably restricted property contract until a notice of nonrenewal is approved at the end of a contract term, or when the property changes ownership.
 - ☐ True
 - ☐ False

7. An historical contract may be cancelled by a local authority for breach of contract or failure to protect the historical property.
- ☐ True
- ☐ False
8. The assessment of an enforceably restricted historical property involves: [Mark all that apply]
- ☐ Valuing the restricted historical property following cancellation of a contract.
- ☐ Valuing the restricted historical property following a notice of nonrenewal.
- ☐ Valuing the restricted historical property.
- ☐ Properly applying certain assessment provisions of Proposition 13.
- ☐ All of the above.
9. In order to value a restricted historical property, Revenue and Taxation Code section 439.2 prohibits the assessor from using sales data relating to similar properties unless the comparable properties are also enforceably restricted.
- ☐ True
- ☐ False
10. The income to be capitalized when valuing an enforceably restricted historical property is the property's _____ less allowed expenditures.
11. Data for commercial properties may be helpful when establishing the fair rent for a restricted historical property when the contract allows a commercial use.
- ☐ True
- ☐ False
12. "Allowed expenditures" are defined as expenses necessary for the maintenance of the property's income. Typical expenses include:
- ☐ Maintenance and repair
- ☐ Insurance and property management
- ☐ Utilities
- ☐ Property taxes
- ☐ Special assessments and special taxes
- ☐ All of the above

13. A capitalization rate derived from sales data or the band of investment is preferred when developing the capitalization rate to be used when valuing restricted historical property.
- ☐ True
- ☐ False
14. A capitalization rate for restricted historical property includes:
- ☐ An interest rate component annually determined by the State Board of Equalization and based on the effective rate on conventional mortgages as determined by the Federal Housing Finance Board
- ☐ An amortization component for improvements.
- ☐ An historical property risk component determined by property type.
- ☐ A property tax component equal to the percentage of the estimated total tax rate applicable to the property for the assessment year multiplied by the assessment ratio.
- ☐ An amount for special district assessments and special taxes.
- ☐ All of the above.
15. A base year value for an enforceably restricted property must be calculated in case a property enters nonrenewal status.
- ☐ True
- ☐ False
16. In general, a newly constructed building would not be eligible for an enforceably restricted historical contract.
- ☐ True
- ☐ False
17. Any new construction made to an historical structure after the issue date of a contract would not be subject to the provisions of section 439.2 unless specifically included in the contract or an amendment to the contract.
- ☐ True
- ☐ False
18. The assessment of enforceably restricted historical property is subject to the provisions of article XIII, section 8 of the California Constitution. Therefore, these properties are not subject to supplemental assessments.
- ☐ True
- ☐ False

19. If a nonrenewal notice is not given by either the owner of a restricted property or the government entity, another year is automatically added to the term of the initial contract.
- ☐ True
- ☐ False
20. A enforceably restricted historical property contract may be cancelled by a government entity party if it determines that either the owner has breached the agreement or the property has deteriorated to the extent that is no longer meets the standards of a historical property. The government need only provide notice to the property owner to cancel the contract.
- ☐ True
- ☐ False
21. A restricted value for an historical property must be compared to the property's current market value and factored base year value, with the lowest of the three values enrolled as the property's taxable value.
- ☐ True
- ☐ False
22. Restricted historical property under a notice of nonrenewal should be valued in accordance with _____.
23. If a property owner serves notice of nonrenewal in June 2014, the property should be valued as of the 2014 lien date reflecting its nonrenewal status.
- ☐ True
- ☐ False
24. A _____ includes qualified historical improvements and any land on which the qualified historical improvements are situated as specified in the contract.
25. If the parties to an enforceably restricted contract stipulate in the contract to an amount that constitutes the minimum annual income to be capitalized, then the income to be capitalized cannot be less than the amount stipulated in the contract.
- ☐ True
- ☐ False

26. Expenditures to be charged against revenue shall be only those that are ordinary and necessary in the production and maintenance of the property for that period.
- ☐ True
- ☐ False
27. The interest component for the capitalization rate must be determined and announced by the State Board of Equalization by:
- ☐ Annually on the January 1 lien date, to be used for the calendar year that the historical property goes under contract.
- ☐ September 1 annually, to be used for the following lien date.
- ☐ July 1 annually, to be used for the fiscal year that the historical property goes under contract.
- ☐ None of the above.
28. The value of property, in each year until the termination of the period for which the property is enforceably restricted, may be determined pursuant to (Mark all that apply):
- ☐ Revenue and Taxation Code section 110.1.
- ☐ Revenue and Taxation Code section 110.
- ☐ New restriction applicable to the property.
- ☐ Any of the above.
29. For an historical property to be enforceably restricted, the restriction document must be signed, accepted, and recorded on or before the lien date for the calendar year in which the valuation would apply.
- ☐ True
- ☐ False
30. The interest component for the capitalization rate as determined and announced by the Board for lien date 2004 was _____.